to weigh these benefits in using the new authority under S. 1557 should funding be available.

HIGH-FREQUENCY TRADING

Mr. McCAIN. Mr. President, after the financial crisis in 2008, its root causes and the resulting taxpayer-funded bailout; increasingly opaque trading activities that now dominate all stock-trading volume in the U.S.; a string of high-profile convictions of hedge-fund managers and equity analysts; and global settlements with investment banks involving every assortment of ''whale'' and dodgy tax-avoidance scheme, many Americans are now of the view that Wall Street is no longer a vehicle for the creation of investment capital or a reliable engine of entrepreneurialism and economic growth that it has become the province of high-frequency and automated traders. As billionaire investor and long-time HFT critic Mark Cuban admonished a few years ago, it has become a platform to be exploited by every technological and intellectual means possible by whoever can afford them.

At least that is the perception.

It is exactly that perception that has fueled major public concern about revelations contained in Michael Lewis' new book, ''Flash Boys: A Wall Street Revolt''. Lewis's book tells the story of the computer-driven world of high-frequency trading, HFT, co-location and customized data. Indeed, Lewis' narrative appears to have struck a raw nerve among consumers, by confirming a latent belief and skepticism that Wall Street is indeed an insider's game and that the public's best interests are, at most, an afterthought.

If true, Lewis' claim that the market is rigged through variations of HFT could potentially affect everyone from institutional investors to any individual who pays into a pension or mutual fund.

On HFT, one big issue is: how fair is it for certain firms to line their trading systems up with data centers used by exchanges to let them shave-off millionths of a second from every transaction, front-run the market, drive-up prices and profit accordingly, at the expense of average investors who do not enjoy that same capability. Another is: to what extent does HFT and so-called quick-draw trading expose the market to undue risk-taking and potential instability like the 2010 ''flash crash'', in which the Dow Jones dropped 9% in 20 minutes, temporarily erasing $1 trillion in market value?

These are questions that must be taken seriously by policymakers; regulators; and, where warranted, law enforcement officials. Indeed, the Commodities Futures Trading Commission, CFTC, is rightly examining arrangements between HFT firms and exchanges to determine whether insiders are receiving competitive perks, such as reduced rates, that could harm smaller investors. The Securities and Exchange Commission, SEC, is similarly looking into potentially improper relationships between exchanges and HFT firms. New York Attorney General Eric Schneiderman has labeled certain pernicious HFT practices as ''Insider Trading 2.0'' and launched investigations into practices such as co-location, which permits trading firms to be geographically advantaged over competitors, and other arrangements that permit early access to market-moving information. Just yesterday, the Federal Bureau of Investigation, FBI, disclosed that it was also looking into related matters.

Congress, as well as regulators at the SEC and CFTC should fully investigate these issues and pursue proposals that can minimize systemic risk and bolster trust in our markets. But we cannot ignore the inherent limitations that exist in regulating an issue as complex as HFT. The technology and resources readily available to trading firms easily dwarf those available to our government's primary regulators. High-frequency traders have huge incentives to gain even the slightest edge through speed and technology because the payoffs can be exorbitant. For example, a company called Spread Networks reportedly spent $300 million to lay a fiber-optic cable between Chicago and New Jersey to increase the time it took for information to make it from the futures market to the exchanges by 3 milliseconds. That amount nearly matches the entire operating budget of the CFTC for 2013. Policymakers, therefore, face an uphill battle in which regulatory fixes quickly become obsolete as the trading firms' approaches and algorithms adapt almost as rapidly as information travels on their fiber-optic cables.

Against this backdrop, industry must see for itself an opportunity to self-regulate. Rather than hide behind self-serving, arcane arguments that support a status quo that allows for front-running and other unethical trading practices, industry must gather-around strong self-imposed, market-based solutions to the uncertainty and potential harm created by HFT that ensure fundamental fairness and transparency in markets that are technologically evolving at break-neck speed. Indeed, industry can either sit back and wait for regulators or Congress to address these issues with a possibly detrimental outcome for all concerned, or it can be proactive in developing meaningful approaches that not only address the instant problem but also help restore much-needed, long-overdue confidence in the integrity of the financial markets.

Some leaders in industry have recently expressed support for reforms aimed at minimizing unfairness that stems from the ''fragmentation and complexity'' of trading. But more needs to be done: key exchanges, trading firms, investors, banks, and self-regulatory bodies such as the Financial Industry Regulatory Authority, FINRA, should explore potential solutions that would ensure technology is employed in a way that encourages competition and innovation, while also increasing the transparency and integrity of the markets.

Congress should keep a watchful eye on developments in this field—I certainly will. Federal regulators and law enforcement should continue to hold accountable those actors and institutions that cross the line into illegality, market-manipulation, and acting on non-public information. Whatever policy solutions are pursued, they must both enhance the functionality of the market and restore public trust and confidence in Wall Street. Industry, specifically traders and exchanges, must focus on cooperation instead of clamoring for speed in a race to the bottom, which would only leave investors in the dust and force consumers to shoulder the burden of another financial crisis.

WORLD WAR II VETERANS VISIT

Mr. UDALL of Colorado. Mr. President, I wish to pay tribute to the outstanding military service of a group of incredible Coloradans. At critical times in our Nation's history, these veterans each played a role in defending the world from tyranny, truly earning their reputation as guardians of peace and democracy through their service and sacrifice. Now, thanks to Honor Flight, these combat veterans came to Washington, DC to visit the national memorials built to honor those who served and those who fell. They have also come to share their experiences with later generations and to pay tribute to those who gave their lives. I am proud to welcome them here, and I join with all Coloradans in thanking them for all they have done for us.

I also want to thank the volunteers from Honor Flight of Northern Colorado who made this trip possible. These volunteers are great Coloradans in their own right, and their mission to bring our veterans to Washington, DC, is truly commendable.

I wish to publicly recognize the veterans who visited our Nation's capital, many seeing for the first time the memorials built as a tribute to their selfless service. Today, I honor these Colorado veterans on their visit to Washington, DC, and I join them in paying tribute to those who made the ultimate sacrifice in defense of liberty.

Veterans from World War II include: Donald Benson, Joe Blossom, Hobert Bodkins, Robert Bueker, George Carlson, Wayne Clausen, Maurice Dragoo, Homer Dye, Karl Easterly, George Flaig, Stuart Gordon, Dale Gruber, Frank Gunter, Vern Hammond, Robert Henderson, Otto Hindman, Lawrence Jackson, John Jobson, Elvin Kahl, Doward Kilmer, Thomas Kokjer, Edward Kooper, Raymond Kusmirek, Ralph Leckler, George Lichter, Lyle Lukas, Alfred Marez, Richard